Category 3

Sale/Leaseback of State-Owned Buildings

Site examples:

Attorney General building, Sacramento

California Emergency Management Agency, Sacramento

Capitol Area East End Complex, Sacramento

Elihu M. Harris building, Oakland

Franchise Tax Board campus, Sacramento

Earl Warren/ Hiram Johnson Center, San Francisco

Junipero Serra building, Sacramento

Justice building, Sacramento

Public Utilities Commission building, San Francisco

Judge Joseph A. Rattigan building, Santa Rosa

Ronald Reagan building, downtown Los Angeles

See appendix A for sale/leaseback spreadsheet for details on possible revenues

Attorney General Building

Real Property #:	9998
Address:	1300 I Street Sacramento, CA 95814 Sacramento County
Agency:	Department of General Services
Parcel Size:	1.45 acres
Year Built:	1995
Building Gross Sq.Ft.:	560,661
# of Floors:	19
Building Class:	A
Individual Rental Rate:	$1.93
Average Market Rent:	$3.63
Encumbrances:	This building is financed through a lease revenue bond that will mature in 2015.
Deferred Maintenance:	None
# of Parking Spaces:	589

Overview: The California Department of Justice is the major tenant. The building houses the Office of the State Attorney General. Constructed by OPUS and completed in 1995, the building includes a 6-story garage, a cafeteria, and off-site child care center. This building is funded with a lease revenue bond. The remaining balance as of June 2008 was $16,415,000. LEED-EB Silver Certification is being pursued.

Office of Emergency Services

Real Property #:	10357
Address:	3650 Schreiver Avenue Mather, CA 95655 Sacramento County
Agency:	Department of General Services
Parcel Size:	13.47 acres

Year Built:

	Yr. Built	GSF	# Floors	Use
Bldg. A	2002	45,470	2	Office
Bldg. B	2002	63,905	2	Office
Bldg. C	2002	8,329	1	Utility/Plant

Building Gross Sq.Ft.:	117,704 SF Combined
# of Floors:	See Above - Year Built
Building Class:	A
Operating & Maintenance Expense:	Partial Services
Average Market Rent:	$2.75
Encumbrances:	None
Deferred Maintenance:	$0
# of Parking Spaces:	500 Spaces - Surface Parking Only

Overview:

Located on 13 acres at the decommissioned Mather Air Force Base, this 117,000 SF, 24-hour, high security facility is the strategic command center for the State of California Office of Emergency Services, which handles a full range of emergency response activities. General Fund monies were used to construct the buildings. Building and Property Management Branch now provides partial services that include custodial, engineering, trades and groundskeeping for the buildings. The partial services charges for Fiscal Year 2007/08 were $841,313. The building is currently pursuing a LEED-EB Silver certification.

Capitol Area East End Complex - Blocks 225, 171, 172, 173, 174

Real Property #: 10500 (includes 5 buildings)

Address:
1430 N Street (Block 225)
1501 Capitol Avenue (Block 171)
1500 Capitol Avenue (Block 172)
1615 Capitol Avenue (Block 173)
1616 Capitol Avenue (Block 174)
1214 17th Street (parking facility)
Sacramento, CA 95814
Sacramento County

Agency: Department of General Services

Parcel Size: 10.07 acre complex total

Building:

	Year Built	GSF	# Floors
1430 N Street	2002	475,128	6
1501 Capitol Avenue	2003	433,360	6+Bsmt
1500 Capitol Avenue	2003	177,992	6
1615 Capitol Avenue	2003	217,903	7
1616 Capitol Avenue	2003	248,118	7
1214 17th Street (parking facility)	2003	626,324	5+Bsmt

Building Gross Sq.Ft.: 2,178,825

Building Class: A

Individual Rental Rate $3.44

Average Market Rent: $3.63

Encumbrances: This is a bond funded building; bond has a maturity date of 2027.

Deferred Maintenance: $3,604,000

# of Parking Spaces: 1609 - 5 block total

Overview:

Government Code Section 8169.5 (Senate Bill 1270, Chapter 761, Statutes of 1997, and Assembly Bill 883, Chapter 625, Statutes of 1999), authorized construction on Blocks 171-174 and 225 and, for a separate 753-space garage on Block 224. The six buildings were funded with a lease revenue bond. The remaining balance as of June 2008 was $407,370,000. Occupants are Department of Health Care Services, Department of Public Health, and Department of Education; there could be Federal Equity Issues. The five buildings were designed for energy efficiency, cost-effective sustainable building design, and contain ground floor retail space and an extensive public art program. In 2006, the Education Building was the first State-owned office building in the nation to earn LEED-Platinum Certification for operations and maintenance, and received LEED-NC Gold Certification in 2003. The buildings on Blocks 171-174 received LEED-NC Certification in 2004 and LEED-EB Gold Certification in 2008.

A joint-use Auditorium and Conference/Training Center are centralized on the ground floor of Block 172. The Child Care Center is on the ground floor of the building on Block 225. Block 225 provides 213 parking spaces. Block 173 includes 1214 17th Street, which is a 5-story parking structure. The GSF of 626,324 for this structure contains 546,485 SF of parking facility. There is also an underground parking facility beneath the offices on Blocks 173 and 174. The City of Sacramento operates the after hours public parking utilizing 590 of the 1,396 parking spaces within these two blocks.

Elihu M. Harris Building - Oakland

Real Property #:	10208
Address:	1515 Clay Street Oakland, CA 95612-1499 Alameda County
Agency:	Department of General Services
Parcel Size:	1.63 acres
Year Built:	1998
Building Gross Sq.Ft.:	863,206
# of Floors:	24, inclusive of 2 lower levels
Building Class:	A
Individual Rental Rate:	$2.79
Average Market Rent:	$2.87
Encumbrances:	The building is funded through two lease revenue bonds. One bond matures in 2023 and the other bond in 2014.
Deferred Maintenance:	$2,541,000
# of Parking Spaces:	Approx. 400, underground only (110,534 square feet)

Overview:

The building was constructed using lease revenue bond funding that included two bonds. The site is strategically located in the city business center of downtown Oakland, an area that has been revitalized with new city, state and federal offices. The building consolidates the operations of multiple state departments and agencies throughout the Bay Area and has shared facilities including an auditorium, conference rooms, showers, lockers, an outdoor plaza, dramatic atrium and public lobby, childcare facility, cafeteria, retail space and a credit union. It is located near bus stations, the BART station, the Amtrak station at Jack London Square and a ferry terminal. The DGS is currently pursuing LEED-EB Silver Certification for the building. Effective June 2008, the total balance of the outstanding bonds is $138,180,000.

Franchise Tax Board

Real Property #:	9627
Address:	9645 Butterfield Way Sacramento, CA 95827 Sacramento County
Agency:	Department of General Services
Parcel Size:	51.18 acres

Year Built:	Yr. Built	GSF	# Floors
Phase I - Los Angeles Bldg.	1984	468,816	2
Phase II - San Diego Bldg.	1993	387,453	2
Phase III - S.F., Sac. & Town Center	2005	923,251	E=4/W=3
Central Plant	2002/03	12,285	1
Warehouse	2002/03	43,771	1

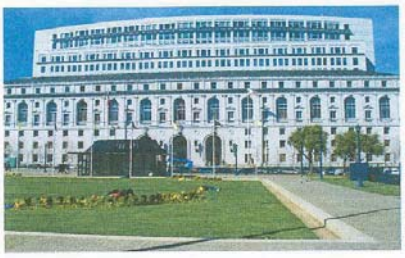
Building Gross Sq.Ft.:	1,835,576
# of Floors:	See Above
Building Class:	A
Individual Rental Rate:	$1.84 Office / $0.61 Storage
Average Market Rent:	$2.75
Encumbrances:	The Franchise Tax Board campus buildings are funded through 3 lease revenue bonds. Phase II bond matures in 2011; Phase III Central Plant and Warehouse bond matures in 2028; Phase III Office bond matures in 2030.
Deferred Maintenance:	$2,124,000
# of Parking Spaces:	Approx. 3,953 Spaces - Surface Parking Only

Overview:

Passage of Senate Bill 1589 (Chapter 328, Stats. of 1998) authorized the State to use lease revenue bonds to develop Phase III, adding one million SF of building space. The project also included statutory authority allowing the renovation of the existing Butterfield facilities, Phase I and II. Effective June 30, 2008, the outstanding amount on the Phase II bond was $11,035,000, on the Phase III Central Plant and Warehouse bond was $30,755,000, and on the Phase III Office bond was $208,270,000, for a combined outstanding amount of $250,060,000. The complex includes 3 day care centers and food service in Town Center. The 1995 Master Plan Update studied the development of a Phase IV to include a 4-story office building of 350,000 SF, plus development of a structured parking garage. Sywest, who is redeveloping an adjacent piece of property on which DGS has an easement, has requested a quitclaim of said easement. Sywest is preparing a draft agreement for the DGS' review. 'Town Center', 'Sacramento' and 'San Francisco' Bldgs. are LEED-NC Silver; the 'Los Angeles' and 'San Diego' Bldgs. are pursuing LEED-EB Silver Certification rating.

San Francisco Civic Center - (Earl Warren / Hiram Johnson Building)

Real Property #:	680
Address:	350 McAllister Ave. / 455 Golden Gate Ave. San Francisco, CA 94102 County of San Francisco
Agency:	*Department of General Services (Master Lessee)
Parcel Size:	2.59 acres
Year Built:	1922 / Refurbished 1998
Building Gross Sq.Ft.:	1,079,100
# of Floors:	6 and 14
Building Class:	A
Individual Rental Rate:	$4.39 Office/$1.46 Storage
Average Market Rent:	$3.85
Encumbrances:	Built with Lease Revenue Bonds
Deferred Maintenance:	$2,792,000
# of Parking Spaces:	50 (26,289 square feet)



Overview:

The San Francisco Civic Center Complex is comprised of two buildings, the Earl Warren Building located at 350 McAllister Avenue and the Hiram Johnson Office Building located at 455 Golden Gate Avenue. The buildings are classified as high-rise structures consisting of a 6-story and 14 story buildings. The Earl Warren Building, before renovation and retrofitting in 1996, dates back to 1922. The Hiram Johnson Building was built concurrently in 1996. The renovation/retrofitting of the Earl Warren Building and construction of the Hiram Johnson Building were financed with Lease Revenue Bonds through the creation of a "Joint Powers Authority" (JPA) and leased through the San Francisco State Building Authority by the Department of General Services at an initial bond cost of $340,555,000 with $270,160,000 outstanding. The bond will be paid off in 2021. The complex as a whole houses the Supreme Court, Judicial Council and First District Court of Appeals as largest tenants. LEED-EB Silver Certification is being pursued for the building.

Junipero Serra State Building

Real Property #:	10043
Address:	320 West 4th Street Los Angeles, CA Los Angeles County
Agency:	Department of General Services
Parcel Size:	.95 acres
Year Built:	1914
Building Gross Sq.Ft.:	519,101
# of Floors:	10
Building Class:	B
Individual Rent Rate:	$2.56
Average Market Rent:	2.80
Encumbrances:	1999 Series A Bond dated 10/01/99, matures in 2019.
Deferred Maintenance:	$4,300,000
# of Parking Spaces:	121 in parking structure (59,533 square feet)

Overview:

The Department of General Services (Lessee) entered into a lease in 1999 with the Los Angeles State Building Authority (Lessor) as security for 1999 Series A bonds in the amount of $59,045,000. The bonds mature in 2019 and have a current remaining balance of $41,770,000. The DGS is currently pursuing a LEED-EB Silver Certification for the building. Major tenants for the building include: Department of Rehabilitation, Water Resources Control Board, Department of Real Estate, Department of Motor Vehicles, Public Utilities Commission, Department of Industrial Relations, Department of General Services, Department of Corporations, Managed Health Care, Corrections & Rehabilitation.

Justice Building

Real Property #:	657
Address:	4949 Broadway Sacramento, CA 95817 Sacramento County
Agency:	Department of General Services
Parcel Size:	23.85 acres
Year Built:	1982
Building Gross Sq.Ft.:	333,699
# of Floors:	2
Building Class:	C
Building Rental Account:	$1.80
Average Market Rent:	$2.03
Encumbrances:	None
Deferred Maintenance:	$2,096,000
# of Parking Spaces	4/16/1902

Overview:

The building houses 3 divisions of the Department of Justice and features a significant computer facility providing information to all California law enforcement agencies. An infrastructure study was completed in 2006. The findings determined the building to be structurally sound, but chiller replacement, architectural upgrades, and upgrades to the electrical and mechanical systems were recommended. The building includes a cafeteria. LEED-EB Silver Certification is being pursued.

Governor Edmund G. "Pat" Brown Bldg. / Public Utilities Commission Bldg.

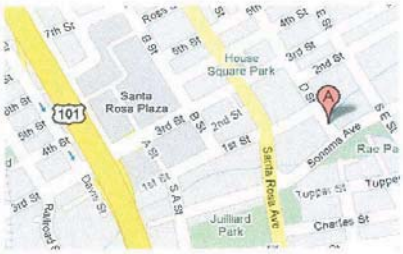
Real Property #:	661
Address:	505 Van Ness Avenue San Francisco, CA 94102 County of San Francisco
Agency:	San Francisco State Building Authority
Parcel Size:	1.94 acres
Year Built:	1984
Building Gross Sq.Ft.:	383,495
# of Floors:	5
Building Class:	A
Operating & Maintenance Expense:	Partial Services
Average Market Rent:	$3.85
Encumbrances:	The building was originally purchased with bonds totaling $62,705,000 with a $25,500,000 outstanding balance to be retired in 2013.
Deferred Maintenance:	$6,424,000
# of Parking Spaces:	235 (96,600 square feet)

Overview:

The Governor Edmund G. Brown Building was built in 1984. The building was purchased with Lease Revenue Bonds through the creation of a Joint Powers Authority and is leased from the San Francisco State Building Authority to the State of California. The California Public Utilities Commission (CPUC) makes its own bond payments. It is considered a "Class A" five-story building consisting of approximately 287,000 usable square feet. The CPUC is the anchor tenant of this building along with a small presence by Department of General Services and the California Highway Patrol, child care center, auditorium, cafeteria and parking garage. LEED-EB Silver Certification is being pursued for the building. The partial services charges for Fiscal Year 2007/08 were $1,851,107.

Judge Joseph A. Rattigan Building - Santa Rosa

Real Property #:	666
Address:	50 D Street Santa Rosa, CA 95404 Sonoma County
Agency:	Department of General Services
Parcel Size:	.92 acres
Year Built:	1983
Building Gross Sq.Ft.:	97,377
# of Floors:	4
Building Class:	B
Building Rental Account:	$1.80
Average Market Rent:	$2.30
Encumbrances:	None
Deferred Maintenance:	$1,872,000
# of Parking Spaces:	N/A



Overview:

This contemporary four story building was constructed to provide a centrally located office facility to enable multiple state departments, agencies, and Legislative offices in the area to operate from one location. The Federal Building is located to the south, the Santa Rosa City Hall to the southwest and Courthouse Square to the west of the building. The interior of the building is unique in that it opens into a large atrium area with a central staircase providing access to all floors. Office space is located around the perimeter of the structure which surrounds the large atrium. The atrium contains a fully functioning rolling roof which can be opened during mild weather for additional ventilation. The low rise design enhances urban design qualities of the local area, preserves openness and solar access in the neighborhood. The DGS is currently pursuing LEED-EB Silver Certification for the building.

Ronald Reagan State Building

Real Property #:	9721
Address:	300 South Spring Street Los Angeles, CA Los Angeles County
Agency:	Department of General Services
Parcel Size:	2.6 acres
Year Built:	1991
Building Gross Sq.Ft.:	781,019
# of Floors:	16
Building Class:	A
Building Rental Account:	$1.80
Average Market Rent:	$3.40
Encumbrances:	1988 Series A Bond for construction of building; 1993 Series A refunding bonds, May 1, 1993.
Year Bond will be paid off:	2011
Deferred Maintenance:	$5,026,000
# of Parking Spaces:	450 (parking structure)

Overview:

The Department of General Services (Lessee) entered into a lease in 1988 with the Los Angeles State Building Authority (Lessor) as security for 1988 Series A construction bonds. The 1993 Series A refunding bonds dated May 1, 1993 in amount of $98,520,000 run through 2011 and have a current balance of $48,380,000. The building was constructed by a Joint Powers Authority agreement. There is a study underway to determine the cause of leaks in the fire suppression system. The estimated commencement date of the study is May 1, 2009. DGS is currently pursuing LEED-EB Silver Certification for the building. Major tenants in the building include: Department of General Services, California Highway Patrol, Employment Development Department, The Governor's Office, Department of Financial Institutions, Department of Insurance, Supreme Court, 2nd District Court of Appeals, Department of Justice, Lietenant Governor's Office, Secretary of State, and the Department of Rehabilitation. EDD is a tenant in this building so there could be Federal equity issues associated with it.

DEPARTMENT OF GENERAL SERVICES
Real Estate Services Division

State-Owned Office Buildings

SCENARIO: Sale/Leaseback

Building Name	Location	Bond Retirement Year	Estimated Market Value	Estimated Sales Proceeds	Useable Office Square Feet	Current Rent Per Useable Square Feet	Current Annual Rent	Estimated Average Rent Per Useable Square Feet	Estimated Annual Rent	Annual Rent Difference
Attorney General Building	Sacramento	2015	$132,205,457	$109,180,184	307,396	$1.93	$7,119,291	$3.63	$13,390,170	$6,270,878
California Emergency Management Agency	Sacramento	NA	$33,599,256	$31,919,293	107,004	$0.65	$834,631	$2.75	$3,531,132	$2,696,501
Capitol Area East End Complex	Sacramento	2027	$463,886,784	$33,322,444	1,111,167	$3.44	$45,868,974	$3.63	$48,402,435	$2,533,461
Elihu M. Harris Building	Oakland	2014	$166,652,439	$20,139,871	544,625	$2.79	$18,234,045	$2.87	$18,756,885	$522,840
Franchise Tax Board Complex	Sacramento	Phase II 2011, Phase III 2028 and 2030	$396,746,064	$126,848,761	1,525,152	$1.84	$33,675,356	$2.75	$50,330,016	$16,654,660
Earl Warren/Hiram Johnson (Civic Center)	San Francisco	2021	$357,553,555	$69,515,878	676,097	$4.39	$35,616,790	$3.85	$31,235,681	-$4,381,109
Junipero Serra State Building	Los Angeles	2019	$76,426,606	$30,835,276	324,312	$2.56	$9,962,865	$2.80	$10,896,883	$934,019
Justice Building (4949 Broadway)	Sacramento	NA	$34,097,410	$32,392,540	276,112	$1.80	$5,964,019	$2.03	$6,726,088	$762,069
Public Utilities Commission Building	San Francisco	2013	$124,863,480	$96,855,306	210,453	$2.39	$6,035,792	$3.85	$9,722,929	$3,687,137
Judge Joseph A. Rattigan Building	Santa Rosa	NA	$7,784,012	$7,394,811	61,114	$1.80	$1,320,062	$2.30	$1,686,746	$366,684
Ronald Reagan State Building	Los Angeles	2011	$181,933,179	$103,456,520	515,390	$1.80	$11,132,424	$3.40	$21,027,912	$9,895,488
TOTAL			**$1,975,748,242**	**$661,860,884**			**$175,764,250**		**$215,706,877**	**$39,942,627**

NOTES

1) Estimated Market Values are cursory amounts intended to provide order of magnitude only. A formal appraisal by a fully licensed appraiser has not been conducted on these properties.

2) Estimated Market Values do not consider a "subject to appropriations" clause for the leaseback of the buildings. Per discussions with investment brokers, a subject to appropriations clause could reduce the market value of a building significantly.